

WASHINGTON MEDICAID

SCOPE AND OBJECTIVES

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STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMITTEE

STUDY TEAM
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BACKGROUND

Washington Medicaid captures over 30 percent of the state's biennial operating budget and over 75 percent of the biennial operating budget of the Department of Social and Health Services (DSHS). These calculations consider both the federal funds and required state match.

Medicaid is usually thought of as a primary health care insurance program for low-income people, and much of the policy discussion and legislative focus has been directed toward that segment of the Medicaid budget.

However, the primary health care portion of Washington Medicaid represents 60 percent of the \$11.6 billion committed biennially. The remaining 40 percent of Medicaid expenditures provides:

- long term care services for the elderly and disabled;
- therapies and other support services for persons with developmental disabilities, persons with mental illness, children in foster care, persons receiving substance abuse services, juvenile offenders and at-risk youth; and,
- administration for all Medicaid services, including funding for local school districts.

The federal Department of Health and Human Services (DHHS) administers the Medicaid program through the Centers for Medicare and Medicaid Services (CMS). CMS delegates some of this administrative authority to a single state agency in each state.

The agreement between the federal government and the single state agency, reflecting the administrative activities and programmatic elements for which federal funds will be provided, is called the "state Medicaid plan". In Washington, DSHS is designated as the single state agency for administration of the state Medicaid plan.

Medicaid, with its administrative and programmatic complexity, pervades the human services segment of the state budget, presenting both challenges and opportunities to policymakers and managers.

MANDATE

The Committee initiated and authorized this study at the October 2002 meeting in response to the need to gain a more thorough understanding of Washington Medicaid.

PROPOSED SCOPE AND OBJECTIVES

The study will enhance the Legislature's decision-making capacity by providing a comprehensive view of Washington Medicaid.

The report will place Washington Medicaid in perspective by providing:

- a descriptive overview of Washington Medicaid;
- a description of the management of Washington Medicaid;
- an inventory and description of the various activities, programs, and services that are Medicaid funded; and,
- a discussion of initiatives to improve the coordination of services and resources to persons receiving Medicaid funded services.

Consistent with previous JLARC human services studies that have pointed to the need for improved coordination among DSHS programs, some of the questions the report will examine are:

- What is required by the federal government?
- What flexibility is given to the state, and what choices have been made?
- Are there opportunities to realize efficiencies by standardizing, consolidating, or simplifying administrative activities or services?
- Which decisions are made from an agency perspective?
- Which decisions are made from an individual program perspective?
- How is information technology used to support management?
- What is the Medicaid Integration Project? What are its fiscal and policy goals?

Where appropriate, this report will make recommendations for change and improvements in the policy framework and management of Washington Medicaid.

The Washington Medicaid project also anticipates following the implementation of services and resources coordination initiatives in future updates to evaluate whether coordination improves customer outcomes and uses state financial resources more effectively and efficiently.

OVERVIEW OF STUDY APPROACH

JLARC staff will conduct the study through research, data analysis, and field work. Consultants will be used as appropriate to provide specialized expertise.

TIMEFRAME FOR THE STUDY

Staff will present the preliminary and final reports at the JLARC meetings in October and December.

JLARC STAFF TO CONTACT FOR THE STUDY

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